

TAB

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D.C.

CIVIL SERVICE RETIREMENT ACT

[As Amended to October 11, 1962]¹

DEFINITIONS

SECTION 1. Wherever used in this Act—

(a) The term "employee" shall mean a civilian officer or employee in or under the Government and, except for purposes of section 2, shall mean a person to whom this Act applies.

(b) The term "Member" shall mean the Vice President, a United States Senator, Representative in Congress, Delegate from a Territory, or the Resident Commissioner from Puerto Rico, and, except for purposes of section 2, shall mean a Member to whom this Act applies.

(c) The term "congressional employee" means an employee of the Senate or House of Representatives or of a committee of either House, an employee of a joint committee of the two Houses, an elected officer of the Senate or House of Representatives who is not a Member of either House, the Legislative Counsel of the Senate and the Legislative Counsel of the House of Representatives and the employees in their respective offices, an Official Reporter of Debates of the Senate and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, a member of the Capitol Police force, an employee of the Vice President if such employee's compensation is disbursed by the Secretary of the Senate, and an employee of a Member if such employee's compensation is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives.

(d) The term "basic salary" shall not include bonuses, allowances, overtime pay, military pay, or salary, pay, or compensation given in addition to the base pay of the position as fixed by law or regulation: *Provided*, That for employees paid on a fee basis, the maximum amount of basic salary which may be used shall be \$10,000 per annum. For a Member, the term "basic salary" shall include, from April 1, 1954, to February 28, 1955, the

¹ The beginning and the end of amendments are marked by asterisks.

amount received as expense allowance under section 601(b) of the Legislative Reorganization Act of 1946, as amended, and such amount from January 3, 1953, to March 31, 1954, provided deposit is made therefor as provided in section 4.

(e) The term "average salary" shall mean the largest annual rate resulting from averaging, over any period of five consecutive years of creditable service, or at a Member's option over all periods of Member service subsequent to the date of enactment of the Legislative Reorganization Act of 1946 used in the computation of an annuity under this Act, a Member's or an employee's rates of basic salary in effect during such period, with each rate weighted by the time it was in effect.

(f) The term "fund" shall mean the civil service retirement and disability fund created by the Act of May 22, 1920.

(g) The terms "disabled" and "disability" shall mean totally disabled for useful and efficient service in the grade or class of position last occupied by the employee or Member by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part within the five years next prior to becoming so disabled.

(h) The term "widow", for purposes of section 10, shall mean the surviving wife of an employee or Member who was married to such individual for at least two years immediately preceding his death or is the mother of issue by such marriage.

(i) The term "widower", for purposes of section 10, shall mean the surviving husband of an employee or Member who was married to such employee or Member for at least two years immediately preceding her death or is the father of issue by such marriage. The term "dependent widower", for purposes of section 10, shall mean a "widower" who is incapable of self-support by reason of mental or physical disability, and who received more than one-half his support from such employee or Member.

(j) The term "child", for purposes of section 10, shall mean an unmarried child, including (1) an adopted child, and (2) a stepchild or recognized natural child who received more than one-half his support from and lived with the Member or employee in a regular parent-child relationship, under the age of eighteen years, or such unmarried child regardless of age who because of physical or mental disability incurred before age eighteen is incapable of self-support, * * * or such unmarried child between eighteen and twenty-one years of age

Amended
Oct. 11, 1962.

who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution. A child whose twenty-first birthday occurs prior to July 1 or after August 31 of any calendar year, and while he is regularly pursuing such a course of study or training, shall be deemed for the purposes of this paragraph and section 10(d) to have attained the age of twenty-one on the first day of July following such birthday. A child who is a student shall not be deemed to have ceased to be a student during any interim between school years if the interim does not exceed four months and if he shows to the satisfaction of the Commission that he has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately following the interim. * * *

(k) The term "Government" shall mean the executive, judicial, and legislative branches of the United States Government, including Government-owned or controlled corporations and Gallaudet College, and the municipal government of the District of Columbia.

(l) The term "lump-sum credit" shall mean the un-refunded amount consisting of (1) the retirement deductions made from the basic salary of an employee or Member, (2) any sums deposited by an employee or Member covering prior service, and (3) interest on such deductions and deposits at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually to December 31, 1956, or, * * * in the case of an employee or Member separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service, * * * to the date of the separation or transfer. The lump-sum credit shall not include interest if the service covered thereby aggregates one year or less, nor shall it include interest for the fractional part of a month in the total service.

Amended
July 7, 1960.

(m) The term "Commission" shall mean the United States Civil Service Commission.

(n) The term "annuitant" shall mean any former employee or Member who, on the basis of his service, has met all requirements of the Act for title to annuity and has filed claim therefor.

(o) The term "survivor" shall mean a person who is entitled to annuity under this Act based on the service of a deceased employee or Member or of a deceased annuitant.

(p) The term "survivor annuitant" shall mean a survivor who has filed claim for annuity.

(q) The term "service" shall mean employment which is creditable under section 3.

Amended
Apr. 8, 1960.

Amended
Sept. 14, 1961.

(r) The term "military service" shall mean honorable active service in the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States, * * * or, after June 30, 1960, in the Regular Corps or Reserve Corps of the Public Health Service. * * * or, after June 30, 1961, as a commissioned officer of the Coast and Geodetic Survey, * * * but shall not include service in the National Guard except when ordered to active duty in the service of the United States.

(s) The term "Member service" shall mean service as a Member and shall include the period from the date of the beginning of the term for which the Member is elected or appointed to the date on which he takes office as a Member.

Amended
Oct. 11, 1962.

* * * (t) The term "price index" shall mean the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics. * * *

COVERAGE

SEC. 2. (a) This Act shall apply to each employee and Member, except as hereinafter provided.¹

(b) This Act shall not apply to the President, to any judge of the United States as defined under section 451 of title 28 of the United States Code, or to any employee of the Government subject to another retirement system for Government employees.

(c) This Act shall not apply to any Member or to any congressional employee until he gives notice in writing to the officer by whom his salary is paid of his desire to come within the purview of this Act.

(d) This Act shall not apply to any temporary congressional employee unless such employee is appointed at an annual rate of salary and gives notice in writing to the officer by whom his salary is paid of his desire to come within the purview of this Act.

(e) The Commission may exclude from the operation of this Act any employee or group of employees in the executive branch of the United States Government, or of the District of Columbia government upon recommendation by its Commissioners, whose tenure of office or employment is temporary or intermittent.

¹ Section 10(c) of Public Law 86-91 approved July 17, 1959, excludes from retirement coverage teachers in dependents schools of the Department of Defense in overseas areas, as regards any Federal employment performed by them in another capacity during a recess period between two school years.

(f) This Act shall not apply to any temporary employee of the Administrative Office of the United States Courts, of the courts specified in section 610 of title 28 of the United States Code, or to construction employees or any other temporary, part-time, or intermittent employees of the Tennessee Valley Authority; and the Architect of the Capitol and the Librarian of Congress are authorized to exclude from the operation of this Act any employees under the office of the Architect of the Capitol and the Library of Congress, respectively, whose tenure of employment is temporary or of uncertain duration.

(g) Notwithstanding any other provision of law or any Executive order, this Act shall apply to each United States Commissioner whose total compensation for services rendered as United States Commissioner is not less than \$3,000 in each of the last three consecutive calendar years (1) ending prior to the effective date of the Civil Service Retirement Act Amendments of 1956 or (2) ending prior to the first day of any calendar year which begins after such effective date. For the purposes of this Act, the employment and compensation of each such United States Commissioner coming within the purview of this Act pursuant to this subsection shall be held and considered to be on a daily basis when actually employed; but nothing in this Act shall affect, otherwise than for the purposes of this Act, the basis, under applicable law other than this Act, on which such United States Commissioner is employed or on which his compensation is determined and paid.

* * * (h) This Act shall apply to persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), subject to the following requirements:

Amended
July 1, 1960,
effective
July 10, 1960.

(1) The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of this Act with respect to such employees; * * *

* * * (2) The Commission is authorized and directed to accept the certification of the Secretary of Agriculture or his designee with respect to service, for purposes of this Act, of the type rendered by employees described in paragraph (3) of this subsection.

Amended
Oct. 4, 1961,
effective
July 1, 1961.

(3) Subject to the provisions of sections 4(c) and 9(f) of this Act, service rendered prior to July 10, 1960, as an employee of a county committee established pursuant to section 8(b) of the Soil Conserva-

tion and Domestic Allotment Act (16 U.S.C. 590h (b)) or of a committee or an association of producers described in section 10(b) of the Agricultural Adjustment Act of May 12, 1933 (48 Stat. 37), shall be included in computing length of creditable service for the purposes of this Act. * * *

CREDITABLE SERVICE

Sec. 3. (a) An employee's service for the purposes of this Act including service as a substitute in the postal service shall be credited from the date of original employment to the date of the separation upon which title to annuity is based in the civilian service of the Government.¹ Credit shall similarly be allowed for service in the Pan American Sanitary Bureau. No credit shall be allowed for any period of separation from the service in excess of three calendar days.

(b) An employee or Member shall be allowed credit for periods of military service prior to the date of the separation upon which title to annuity is based; however, if an employee or Member is awarded retired pay on account of military service, his military service shall not be included, unless such retired pay is awarded on account of a service-connected disability (1) incurred in combat with an enemy of the United States or (2) caused by an instrumentality of war and incurred in line of duty during * * * a period of war (as that term is used in Chapter 11 of title 38, United States Code), * * * or is awarded under title III of Public Law 810, Eightieth Congress,² except that for purposes of section 9(c)(1), a Member (A) shall be allowed credit only for periods of military service not exceeding five years, plus any military service performed by the Member upon leaving his office, for the purpose of performing such service, during any war or national emergency proclaimed by the President or declared by the Congress and prior to his final separation from service as Member and (B) may not receive credit for military service for which credit is allowed for the purposes of retired pay under any other provision of law. Nothing in this Act shall affect the right of an employee or a Member to retired pay, pension, or compensation in addition to the annuity herein provided.

Amended
June 17, 1957,
and Sept. 2,
1958.

¹ Federal employees who acquire Social Security coverage by the terms of the Act of September 1, 1954 (Social Security Amendments of 1954), are prohibited by that Act from receiving credit under the Civil Service Retirement System for the service covered by Social Security.

Public Law 86-782, approved September 14, 1960, authorizes credit for periods of internment during World War II for certain employees of Japanese ancestry.

² Now Chapter 67, Title 10, United States Code.

(c) Credit shall be allowed for leaves of absence granted an employee while performing military service or while receiving benefits under the Federal Employees' Compensation Act of September 7, 1916, as amended. Except for a substitute in the postal service, there shall be excluded from credit so much of any other leaves of absence without pay as may exceed six months in the aggregate in any calendar year.

(d) An employee who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the military service shall not be considered, for the purposes of this Act, as separated from his civilian position by reason of such military service, unless he shall apply for and receive a lump-sum benefit under this Act: *Provided*, That such employee shall not be considered as retaining his civilian position beyond December 31, 1956, or the expiration of five years of such military service, whichever is later.

(e) The total service of an employee or Member shall be the full years and twelfth parts thereof, excluding from the aggregate the fractional part of a month, if any.

(f) An employee must have completed at least five years of civilian service before he shall be eligible for annuity under this Act.

(g) An employee or Member must have, within the two-year period preceding any separation from service, other than a separation by reason of death or disability, completed at least one year of creditable civilian service during which he was subject to this Act before he or his survivors shall be eligible for annuity under this Act based on such separation. If any employee or Member, other than an employee or Member separated from the service by reason of death or disability, fails to meet the service requirement of the preceding sentence, the amounts deducted from his salary during his period of service for which no eligibility for annuity is established based on such separation shall be returned to him upon such separation. Failure to meet this service requirement shall not deprive the individual or his survivors of any annuity rights which attached upon a previous separation.

(h) An employee who (1) has at least five years' Member service and (2) has served as a Member at any time after August 2, 1946, shall not be allowed credit for any service which is used in the computation of an annuity under section 9(c).

(i) In the case of each United States Commissioner who comes within the purview of this Act pursuant to

Amended
Sept. 21, 1959.

Amended
Sept. 21, 1959.

Amended
Sept. 22, 1961.

section 2(g) of this Act, service rendered prior to, on, or after the effective date of the Civil Service Retirement Act Amendments of 1956 as United States Commissioner shall be credited for the purposes of this Act * * * on the basis of one three-hundred-and-thirteenth of a year for each day prior to July 1, 1945, and one two-hundred-and-sixtieth of a year for each day after June 30, 1945, on which such United States Commissioner renders service in such capacity * * * and which is not credited for the purposes of this Act for service performed by him in any capacity other than United States Commissioner. Such credit shall not be granted for service rendered as United States Commissioner * * * for more than three hundred and thirteen days in any one year prior to July 1, 1945, or for more than two hundred and sixty days in any one year after June 30, 1945. * * *

* * * (j) Notwithstanding any other provision of this section or section 5(f) of the Peace Corps Act, any military service (other than military service covered by military leave with pay from a civilian position) performed by an individual after December 1956 and any period of service by an individual as a volunteer under the Peace Corps Act, shall be excluded in determining the aggregate period of service upon which an annuity payable under this chapter to such individual or to his widow or child is to be based, if such individual or widow or child is entitled (or would upon proper application be entitled) at the time of such determination, to monthly old-age or survivors benefits under section 202 of the Social Security Act, as amended (42 U.S.C. 402), based on such individual's wages and self-employment income. If in the case of the individual or widow such military service, or service under the Peace Corps Act is not excluded under the preceding sentence, but upon attaining age sixty-two, he or she becomes entitled (or would upon proper application be entitled) to such benefits, the Commission shall redetermine the aggregate period of service upon which such annuity is based, effective as of the first day of the month in which he or she attains such age, so as to exclude such service. The Secretary of Health, Education, and Welfare shall, upon the request of the Commission, inform the Commission whether or not any such individual or widow or child is entitled at any specified time to such benefits. * * *

DEDUCTIONS AND DEPOSITS

SEC. 4. (a) From and after the first day of the first pay period which begins on or after the effective date of the Civil Service Retirement Act Amendments of

1956, there shall be deducted and withheld from each employee's basic salary an amount equal to $6\frac{1}{2}$ per centum of such basic salary and from each Member's basic salary an amount equal to $7\frac{1}{2}$ per centum of such basic salary. From and after the first day of the first pay period which begins after June 30, 1957, an equal sum shall also be contributed from the respective appropriation or fund which is used for payment of his salary, pay or compensation, or in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment. The amounts so deducted and withheld by each department or agency, together with the amounts so contributed, shall, in accordance with such procedures as may be prescribed by the Comptroller General of the United States, be deposited by the department or agency in the Treasury of the United States to the credit of the fund. There shall also be so credited all deposits made by employees or Members under this section.

(b) Each employee or Member shall be deemed to consent and agree to such deductions from basic salary, and payment less such deductions shall be a full and complete discharge and acquittance of all claims and demands whatsoever for all regular services during the period covered by such payment, except the right to the benefits to which he shall be entitled under this Act, notwithstanding any law, rule, or regulation affecting the individual's salary.

(c) Each employee or Member credited with civilian service after July 31, 1920, for which, for any reason whatsoever, no retirement deductions or deposits have been made, may deposit with interest an amount equal to the following percentages of his basic salary received for such service:

	Percentage of basic salary	Service period
Employee-----	$2\frac{1}{2}$ -----	August 1, 1920, to June 30, 1926
	$3\frac{1}{2}$ -----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to June 30, 1948
	6-----	July 1, 1948, to October 31, 1956
	$6\frac{1}{2}$ -----	After October 31, 1956
Member for Member service.	$2\frac{1}{2}$ -----	August 1, 1920, to June 30, 1926
	$3\frac{1}{2}$ -----	July 1, 1926, to June 30, 1942
	5-----	July 1, 1942, to August 1, 1946
	6-----	August 2, 1946, to October 31, 1956
	$7\frac{1}{2}$ -----	After October 31, 1956

(d) Each employee or Member who has received a refund of retirement deductions under this or any other retirement system established for employees of the Government covering service for which he may be allowed credit under this Act may deposit the amount received,

with interest. No credit shall be allowed for the service covered by the refund until the deposit is made.

Amended
June 29, 1957,
effective
Oct. 1, 1956.

(e) Interest under subsection (c) or (d) shall be computed from the midpoint of each service period included in the computation, or from the date refund was paid, to the date of deposit or commencing date of annuity, whichever is earlier. The interest shall be computed at the rate of 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter compounded annually. Such deposit may be made in one or more installments. * * * No interest shall be charged for any period of separation from the service which began before October 1, 1956. * * *

(f) Under such regulations as may be prescribed by the Commission, amounts deducted under subsection (a) and deposited under subsections (c) and (d) shall be entered on individual retirement records.

(g) No deposit shall be required for any service prior to August 1, 1920, for periods of military service or for any service for the Panama Railroad Company prior to January 1, 1924.

Amended
Aug. 27, 1958,
effective
Mar. 1, 1958.

* * * (h) For purposes of survivor annuity, deposits authorized by subsections (c) and (d) may also be made by the survivor of an employee or Member. * * *

MANDATORY SEPARATION

SEC. 5. (a) Except as hereinafter provided, an employee who shall have attained the age of seventy years and completed fifteen years of service shall be automatically separated from the service. Such separation shall be effective on the last day of the month in which such employee attains the age of seventy years or completes fifteen years of service if then beyond such age, and all salary shall cease from that day.

(b) Each employing office shall notify each employee under its direction of the date of such separation from the service at least sixty days in advance thereof: *Provided*, That subsection (a) shall not take effect without the consent of the employee until sixty days after he has been so notified.

(c) The President may, by Executive order,¹ exempt from automatic separation under this section any employee when, in his judgment, the public interest so requires.

(d) The automatic separation provisions of this section shall not apply to any person named in any Act of Congress providing for the continuance of such person

¹ This authority was, except as regards Presidential appointees, delegated to the Civil Service Commission by Executive Order 10682, dated October 22, 1956.

in the service, to any Member, to any congressional employee, to the Architect of the Capitol or any employee under the office of the Architect of the Capitol, or to any employee in the judicial branch who has been appointed to hold office for a definite term of years.

(e) In the case of an employee of The Alaska Railroad, Territory of Alaska, or an employee who is a citizen of the United States employed on the Isthmus of Panama by the Panama Canal Company or the Canal Zone Government, the provisions of this section shall apply upon his attaining the age of sixty-two years and completing fifteen years of service on the Isthmus of Panama or in the Territory of Alaska.

IMMEDIATE RETIREMENT

SEC. 6. (a) Any employee who attains the age of sixty years and completes thirty years of service shall, upon separation from the service, be paid an annuity computed as provided in section 9.

(b) Any employee who attains the age of fifty-five years and completes thirty years of service shall, upon separation from the service prior to attainment of the age of sixty years, be paid a reduced annuity computed as provided in section 9.

(c) Any employee the duties of whose position are primarily the investigation, apprehension, or detention of persons suspected or convicted of offenses against the criminal laws of the United States, including any employee engaged in such activity who has been transferred to a supervisory or administrative position, who attains the age of fifty years and completes twenty years of service in the performance of such duties, may, if the head of his department or agency recommends his retirement and the Commission approves, voluntarily retire from the service and be paid an annuity computed as provided in section 9. The head of the department or agency and the Commission shall give full consideration to the degree of hazard to which such employee is subjected in the performance of his duties, rather than the general duties of the class of the position held by such employee. The word "detention", as used in this subsection, shall be construed to include the duties of—

(1) all employees of the Bureau of Prisons and Federal Prison Industries, Incorporated,

(2) all employees of the Public Health Service assigned to the field service of the Bureau of Prisons or to the field service of Federal Prison Industries, Incorporated,

(3) all civilian employees employed in the field services at Army or Navy disciplinary barracks or at confinement and rehabilitation facilities operated by any of the United States armed services, and

(4) all employees of the Department of Corrections of the District of Columbia, its industries and utilities,

whose duties in connection with persons in detention suspected or convicted of offenses against the criminal laws of the United States or of the District of Columbia or offenses against the punitive articles of the Uniform Code of Military Justice require frequent (as determined by the appropriate administrative authority with the concurrence of the Commission) direct contact with such persons in the detention, direction, supervision, inspection, training, employment, care, transportation, or rehabilitation of such persons.

(d) Any employee who completes twenty-five years of service or who attains the age of fifty years and completes twenty years of service shall upon involuntary separation from the service not by removal for cause on charges of misconduct or delinquency, be paid a reduced annuity computed as provided in section 9.

(e) Any employee who attains the age of sixty-two years and completes five years of service, shall, upon separation from the service, be paid an annuity computed as provided in section 9.

Amended
July 7, 1960.

(f) Any Member who attains the age of sixty-two years and completes five years of * * * civilian service * * *, or who attains the age of sixty years and completes ten years of Member service, shall, upon separation from the service, be paid an annuity computed as provided in section 9. Any Member who attains the age of fifty-five years and completes thirty years of service shall, upon separation from the service prior to attainment of the age of sixty years, be paid a reduced annuity computed as provided in section 9. Any Member who completes twenty-five years of service, or who attains the age of fifty years * * * and (1) completes twenty years of service or (2) shall have served in nine Congresses * * *, shall, upon separation from the service (other than separation by resignation or expulsion), be paid a reduced annuity computed as provided in section 9. No Member or survivor of a Member shall be entitled to receive an annuity under this Act unless there shall have been deducted or deposited the amounts specified in section 4 with respect to his last five years of * * * civilian service. * * *

Amended
July 12, 1960.

Amended
Aug. 27, 1958,
effective
Mar. 1, 1958.

DISABILITY RETIREMENT

SEC. 7. (a) Any employee who completes five years of civilian service and who is found by the Commission to have become disabled shall, upon his own application or upon application by his department or agency, be retired on an annuity computed as provided in section 9. Any Member who completes five years of Member service and who is found by the Commission to have become disabled shall, upon his own application, be retired on an annuity computed as provided in section 9.

(b) No claim shall be allowed under this section unless the application is filed with the Commission prior to separation of the employee or Member from the service or within one year thereafter. This time limitation may be waived by the Commission for an individual who at the date of separation from service or within one year thereafter is mentally incompetent, if the application is filed with the Commission within one year from the date of restoration of such individual to competency or the appointment of a fiduciary, whichever is the earlier.

(c) Each annuitant retired under this section or under section 6 of the Act of May 29, 1930, as amended, unless his disability is permanent in character, shall at the expiration of one year from the date of such retirement and annually thereafter, until reaching age sixty, be examined under the direction of the Commission. If the annuitant fails to submit to examination as required under this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

* * * (d) If such annuitant, before reaching age sixty, recovers from his disability, payment of the annuity shall cease upon reemployment by the Government or one year from the date of the medical examination showing such recovery, whichever is earlier. If such annuitant, before reaching age sixty, is restored to an earning capacity fairly comparable to the current rate of compensation of the position occupied at the time of retirement, payment of the annuity shall cease upon reemployment by the Government or one year from the end of the calendar year in which earning capacity is so restored, whichever is earlier. Earning capacity shall be deemed restored if, in each of two succeeding calendar years, the income of the annuitant from wages or self-employment, or both, shall equal at least 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement.

(e) If such annuitant whose annuity is discontinued under subsection (d) is not reemployed in any position

Amended
Oct. 4, 1961.

included in the provisions of this Act, he shall be considered except for service credit, as having been involuntarily separated from the service for the purposes of this Act as of the date of discontinuance of the disability annuity and shall, after such discontinuance, be entitled to annuity in accordance with the applicable provision of this Act. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of an earning capacity provision of this or any prior law and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective the first of the year following any calendar year in which his income from wages or self-employment, or both, is less than 80 per centum of the current rate of compensation of the position occupied immediately prior to retirement, if he has not recovered from the disability for which he was retired. In the case of an annuitant whose annuity is heretofore or hereafter discontinued because of a medical finding that the annuitant has recovered from disability and such annuitant is not reemployed in any position included in the provisions of this Act, annuity at the same rate shall be restored effective from the date of medical examination showing a recurrence of such disability. Neither the second nor third sentence of this subsection shall be applicable in the case of any person receiving or eligible to receive annuity under the first sentence hereof and who has reached the age of sixty-two years. * * *

(f) No person shall be entitled to receive an annuity under this Act and compensation for injury or disability to himself under the Federal Employees' Compensation Act of September 7, 1916, as amended, covering the same period of time. This provision shall not bar the right of any claimant to the greater benefit conferred by either Act for any part of the same period of time. Neither this provision nor any provision in such Act of September 7, 1916, as amended, shall deny to any person an annuity accruing to such person under this Act on account of service rendered by him, or deny any concurrent benefit to such person under such Act of September 7, 1916, as amended, on account of the death of any other person.¹

(g) Notwithstanding any provision of law to the contrary, the right of any person entitled to an annuity under this Act shall not be affected because such person has received an award of compensation in a lump sum

¹ Public Law 86-767, approved Sept. 13, 1960, authorizes the making of scheduled disability payments and furnishing of medical services to which entitled under the Federal Employees' Compensation Act in addition to annuity due.

under section 14 of the Act of September 7, 1916, as amended, except that where such annuity is payable on account of the same disability for which compensation under such section has been paid, so much of such compensation as has been paid for any period extended beyond the date such annuity becomes effective, as determined by the Department of Labor, shall be refunded to the Department of Labor, to be covered into the Federal Employees' Compensation Fund. Before such person shall receive such annuity he shall (1) refund to such Department the amount representing such commuted payments for such extended period, or (2) authorize the deduction of such amount from the annuity payable to him under this Act, which amount shall be transmitted to such Department for reimbursement to such fund. Deductions from such annuity may be made from accrued and accruing payments, or may be pro-rated against and paid from accruing payments in such manner as the Department of Labor shall determine, whenever it finds that the financial circumstances of the annuitant are such as to warrant such deferred refunding.

DEFERRED RETIREMENT

SEC. 8. (a) Any employee who is separated from the service or transferred to a position not within the purview of this Act after completing five years of civilian service may be paid an annuity beginning at the age of sixty-two years computed as provided in section 9.

(b) Any Member who on or after January 1, 1956, has been or is separated from the service as a Member after completing five years of * * * civilian service * * *, may hereafter be paid an annuity beginning at the age of sixty-two years, computed as provided in section 9. Any Member who is separated from the service after completing ten or more years of Member service may be paid an annuity beginning at the age of sixty years, computed as provided in section 9. * * * Any Member who is separated from the service after completing twenty or more years of service (including ten or more years of Member service) may be paid a reduced annuity beginning at the age of fifty years, computed as provided in section 9. * * *

Amended
July 7, 1960.

Amended
July 12, 1960.

COMPUTATION OF ANNUITY ¹

SEC. 9. (a) Except as otherwise provided in this section, the annuity of an employee retiring under this Act shall be (1) the larger of (A) 1½ per centum of the average salary multiplied by so much of the total service

¹ Under Part III of the Act of October 11, 1962, each annuity (except any purchased by voluntary contributions) commencing between January 2, 1963, and December 31, 1963, is increased by 4 per centum, by 3 per centum if it commences between January 1, 1964, and December 31, 1964, by 2 per centum if it commences in the calendar year 1965, or by 1 per centum if commencing in calendar year 1966, with each percentage increase passing along to any qualified survivor.

as does not exceed five years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as does not exceed five years, plus (2) the larger of (A) $1\frac{3}{4}$ per centum of the average salary multiplied by so much of the total service as exceeds five years but does not exceed ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds five years but does not exceed ten years, plus (3) the larger of (A) 2 per centum of the average salary multiplied by so much of the total service as exceeds ten years, or (B) 1 per centum of the average salary, plus \$25, multiplied by so much of the total service as exceeds ten years: *Provided*, That the annuity shall not exceed 80 per centum of the average salary: *Provided further*, That the annuity of an employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his total service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this proviso shall not increase the annuity of any survivor.

Amended
July 7, 1960,
and
Oct. 4, 1961.

* * * (b) The annuity of a congressional employee or former congressional employee retiring under this Act shall be computed as provided in subsection (a), except that with respect to so much of his service as a congressional employee and his military service as does not exceed a total of fifteen years, and with respect to any Member service, the annuity shall be computed by multiplying $2\frac{1}{2}$ per centum of the average salary by the years of such service: * * * *Provided*, That the annuity shall not exceed 80 per centum of the average salary. This subsection shall not apply unless the congressional employee * * * or former congressional employee (1) has had at least five years' service as a congressional employee or Member, or any combination of such service, and (2) has had deductions withheld from his salary or made deposit covering his last five years of civilian service: * * * *Provided further*, That the annuity of a congressional employee retiring under section 7 shall be at least (1) 40 per centum of the average salary or (2) the sum obtained under this subsection after increasing his service as a congressional employee by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this provision shall not increase the annuity of any survivor.

Amended
July 7, 1960,
and
Oct. 4, 1961.

* * * (c) The annuity of a Member, or of a former Member with title to Member annuity, retiring under this Act shall be computed as provided in subsection (a), except that if he has had at least five years' service as a Member or a congressional employee, or any combination of such service the annuity shall be computed, with respect to (1) his service as a Member and so much of his military service as is creditable for the purposes of this clause, and (2) so much of his congressional employee service as does not exceed fifteen years, by multiplying $2\frac{1}{2}$ per centum of the average salary by the years of such service. * * * In no case shall an annuity computed under this subsection exceed 80 per centum of the basic salary that he is receiving at the time of such separation from the service, and in no case shall the annuity of a Member retiring under section 7 be less than (A) 40 per centum of the average salary or (B) the sum obtained under this subsection after increasing his Member service by the period elapsing between the date of separation and the date he attains the age of sixty years, whichever is the lesser, but this provision shall not increase the annuity of any survivor.

Amended
July 7, 1960.

(d) The annuity as hereinbefore provided, for an employee retiring under section 6(b) or 6(d) or a Member retiring under the second or third sentence of section 6(f) * * * or the third sentence of section 8(b) * * *, shall be reduced by one-twelfth of 1 per centum for each full month not in excess of sixty, and one-sixth of 1 per centum for each full month in excess of sixty, such employee or Member is under the age of sixty years at date of separation.

Amended
July 12, 1960.

(e) The annuity of an employee retiring under section 6(c) shall be 2 per centum of the average salary multiplied by the total service: *Provided*, That the annuity shall not exceed 80 per centum of the average salary.

(f) The annuity as hereinbefore provided shall be reduced by 10 per centum of any deposit described in section 4(c) remaining unpaid, unless the employee or Member shall elect to eliminate the service involved for purposes of annuity computation.

* * * (g) The annuity as hereinbefore provided (excluding any increase because of retirement under section 7) for any married employee or Member retiring under this Act, or any portion of such annuity designated in writing for purposes of section 10(a)(1), shall be reduced by $2\frac{1}{2}$ per centum of so much thereof as does not exceed \$3,600 and by 10 per centum of so much thereof as exceeds \$3,600, unless the employee or Member notifies the Commission in writing at the time of retirement that

Amended
Oct. 11, 1962.

he does not desire his wife or husband to receive an annuity as provided in section 10(a)(1). * * *

(h) Any unmarried employee or Member retiring under section 6 or 8, and found by the Commission to be in good health, may at the time of retirement elect a reduced annuity, in lieu of the annuity as hereinbefore provided, and designate in writing a person having an insurable interest in the employee or Member to receive an annuity after the retired individual's death. The annuity payable to the employee or Member making such election shall be reduced by 10 per centum of an annuity computed as provided in section 9 and by 5 per centum of an annuity so computed for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

(i) The annuity as hereinbefore provided, for an employee who is a citizen of the United States, shall be increased by \$36 multiplied by total service in the employ of either the Alaska Engineering Commission or The Alaska Railroad in the Territory of Alaska between March 12, 1914, and July 1, 1923, or in the employ of either the Isthmian Canal Commission or the Panama Railroad Company on the Isthmus of Panama between May 4, 1904, and April 1, 1914.

SURVIVOR ANNUITIES

Amended
Oct. 11, 1962.

SEC. 10. (a)(1) * * * If an employee or Member dies after having retired under any provision of this Act and is survived by a wife or husband to whom the employee or Member was married at the time of retirement, such wife or husband shall be paid an annuity equal to 55 per centum of an annuity computed as provided in subsections (a), (b), (c), (d), (e), and (f) of section 9, as may apply with respect to the annuitant, or of such portion thereof as may have been designated in writing for such purpose by the employee or Member at the time of retirement, unless the employee or Member has notified the Commission in writing at the time of retirement that he does not desire his wife or husband to receive such annuity. * * *

Amended
Sept. 8, 1960.

* * * (2) An annuity computed under this subsection shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death or remarriage. * * *

Amended
Oct. 11, 1962.

(b) The annuity of a survivor designated under section 9(h) shall be * * * 55 per centum * * * of the reduced annuity computed as provided in subsections (a), (b),

(c), (d), (e), (f), and (h) of section 9 as may apply with respect to the annuitant. * * * The annuity of such survivor shall commence on the day after the retired employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before the survivor's death. * * *

Amended
Sept. 6, 1960.

* * * (c) If an employee or a Member dies after completing at least five years of civilian service, * * * the widow or dependent widower of such employee or Member shall be paid an annuity equal to * * * 55 per centum * * * of an annuity computed as provided in subsections (a), (b), (c), (e), and (f) of section 9 as may apply with respect to the employee or Member. * * * The annuity of such widow or dependent widower shall commence on the day after the employee or Member dies, and such annuity or any right thereto shall terminate on the last day of the month before (1) death or remarriage of the widow or widower or (2) the widower's becoming capable of self-support. * * *

Amended
Aug. 27, 1958,
effective
Mar. 1, 1958.

Amended
Oct. 11, 1962.

Amended
Sept. 6, 1960.

* * * (d) If an employee or a Member dies after completing at least five years of civilian service, * * * or an employee or a Member dies after having retired under any provision of the Act, and is survived by a wife or by a husband, each surviving child who received more than one-half of his support from such employee or Member shall be paid an annuity equal to the smallest of (1) 40 per centum of the employee's or Member's average salary divided by the number of children, (2) \$600, or (3) \$1,800 divided by the number of children. If such employee or Member is not survived by a wife or husband, each surviving child shall be paid an annuity equal to the smallest of (1) 50 per centum of the employee's or Member's average salary divided by the number of children, (2) \$720, or (3) \$2,160 divided by the number of children. * * * The child's annuity shall commence on the day after the employee or Member dies, and such annuity granted under this Act or under the Act of May 29, 1930, as amended from and after February 28, 1948, or any right thereto shall terminate on the last day of the month before (1) his attaining age eighteen unless incapable of self-support, (2) his becoming capable of self-support after age eighteen, (3) his marriage, or (4) his death, except that the annuity of a child who is a student as described in section 1(j) shall terminate on the last day of the month before (1) his marriage, (2) his death, (3) his ceasing to be such a student, or (4) his attaining age twenty-one. * * * Upon the death of the surviving wife or husband or termination of the annuity of the child, the annuity of any other child or children shall be recomputed and paid as though such wife, husband, or child had not survived the employee or Member.

Amended
Aug. 27, 1958,
effective
Mar. 1, 1958.

Amended
Oct. 11, 1962.

Amended
Sept. 6, 1960,
and
Oct. 11, 1962.

(e) In case a Member separated from service with title to a deferred annuity under this Act, either prior to, on, or after the effective date of the Civil Service Retirement Act Amendments of 1956, shall hereafter die before having established a valid claim for annuity and is survived by a wife or husband to whom married at date of separation, such surviving wife or husband * * * (1) shall be paid an annuity equal to 55 per centum of the Member's deferred annuity commencing on the day after the Member's death and terminating on the last day of the month before death or remarriage of such surviving wife or husband * * * or (2) may elect to receive a lump-sum credit in lieu of annuity if such wife or husband is the person who would be entitled to the lump-sum credit and files application therefor with the Commission prior to the award of such annuity.

LUMP-SUM BENEFITS

SEC. 11. (a) Any employee or Member who is separated from the service, or is transferred to a position wherein he does not continue subject to this Act, shall be paid the lump-sum credit provided his separation or transfer occurs and application for payment is filed with the Commission at least thirty-one days before the earliest commencing date of any annuity for which he is eligible. The receipt of payment of the lump-sum credit by the individual shall void all annuity rights under this Act, unless and until he shall be reemployed in the service subject to this Act. This subsection shall also apply to any employee or Member separated prior to the effective date of the Civil Service Retirement Act Amendments of 1956 after completing at least twenty years of civilian service.

(b) Each present or former employee or Member may, under regulations prescribed by the Commission, designate a beneficiary or beneficiaries for the purposes of this Act.

(c) Lump-sum benefits authorized under subsections (d), (e), and (f) of this section shall be paid in the following order of precedence to such person or persons surviving the employee or Member and alive at the date title to the payment arises, and such payment shall be a bar to recovery by any other person:

First, to the beneficiary or beneficiaries designated by the employee or Member in a writing received in the Commission prior to his death;

Second, if there be no such beneficiary, to the widow or widower of the employee or Member;

Third, if none of the above, to the child or children of the employee or Member and descendants of deceased children by representation;

Fourth, if none of the above, to the parents of the employee or Member or the survivor of them;

Fifth, if none of the above, to the duly appointed executor or administrator of the estate of the employee or Member;

Sixth, if none of the above, to other next of kin of the employee or Member as may be determined by the Commission to be entitled under the laws of the domicile of the individual at the time of his death.

(d) If an employee or Member dies (1) without a survivor, or (2) with a survivor or survivors and the right of all survivors shall terminate before claim for survivor annuity is filed, or if a former employee or Member not retired dies, the lump-sum credit shall be paid.

(e) If all annuity rights under this Act based on the service of a deceased employee or Member shall terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid.

(f) If an annuitant dies, any annuity accrued and unpaid shall be paid.

(g) Any annuity accrued and unpaid upon the termination (other than by death) of the annuity of any annuitant or survivor annuitant shall be paid to such person. Any survivor annuity accrued and unpaid upon the death of any survivor annuitant shall be paid in the following order of precedence, and such payment shall be a bar to recovery by any other person:

First, to the duly appointed executor or administrator of the estate of the survivor annuitant;

Second, if there is no such executor or administrator, payment may be made, after the expiration of thirty days from the date of death of such survivor annuitant, to such next of kin of the survivor annuitant as may be determined by the Commission to be entitled under the laws of the survivor annuitant's domicile at the time of his death.

*** (h) (1) Any amounts deducted and withheld from the basic salary of an employee or Member from the first day of the first month which begins after he shall have performed sufficient service (exclusive of any service which the employee or Member elects to eliminate for purposes of annuity computation under section 9) to entitle him to the maximum annuity provided by section 9, together with interest on such amounts at the rate of 3 per centum per annum compounded annually from the date of such deductions to the date of retirement or death, shall be applied toward any deposit due under section 4, and any balance not so required shall be deemed to be a voluntary contribution for the purposes of section 12. * * *

Amended
July 12, 1960.

Amended
Oct. 4, 1961.

* * * (2) Any employee—
(A) who is separated from the service prior to July 12, 1960; and
(B) who continues in the service after July 12, 1960, without break in service of one workday or more,
shall be granted the benefits of paragraph (1) of this subsection as if he were separated after July 12, 1960. * * *

ADDITIONAL ANNUITIES

SEC. 12. (a) Any employee or Member may, under regulations prescribed by the Commission, voluntarily contribute additional sums in multiples of \$25, but the total may not exceed 10 per centum of his basic salary for his creditable service from and after August 1, 1920. The voluntary contribution account in each case shall be the sum of such unrefunded contributions, plus interest at 3 per centum per annum compounded annually to date of separation or transfer to a position not within the purview of this Act or, in case of an individual who is separated with title to a deferred annuity and does not claim the voluntary contribution account, to the commencing date fixed for such deferred annuity or date of death, whichever is earlier.

(b) Such voluntary contribution account shall be used to purchase at retirement an annuity in addition to the annuity otherwise provided. For each \$100 in such voluntary contribution account, the additional annuity shall consist of \$7, increased by 20 cents for each full year, if any, such employee or Member is over the age of fifty-five years at the date of retirement.

(c) A retiring employee or Member may elect a reduced additional annuity in lieu of the additional annuity described in subsection (b) and designate in writing a person to receive after his death an annuity of 50 per centum of his reduced additional annuity. The additional annuity of the employee or Member making such election shall be reduced by 10 per centum, and by 5 per centum for each full five years the person designated is younger than the retiring employee or Member, but such total reduction shall not exceed 40 per centum.

Amended
Aug. 14, 1958,
effective
Oct. 1, 1958.

* * * (d) Any present or former employee or Member shall be paid the voluntary contribution account, provided application for payment is filed with the Commission prior to receipt of any additional annuity, but such account shall not in any case include interest beyond date of payment. Such individual shall thereafter be eligible to deposit additional sums under this section only if he again becomes subject to this Act after a separation from the service of more than three calendar days. * * *

(e) If any present or former employee or Member not retired dies, the voluntary contribution account shall be paid under the provisions of section 11(c). If all additional annuities or any right thereto based on the voluntary contribution account of a deceased employee or Member terminate before the total additional annuity paid equals such account, the difference shall be paid under the provisions of section 11(c).

REEMPLOYMENT OF ANNUITANTS

SEC. 13. (a) Notwithstanding any other provision of law, an annuitant heretofore or hereafter retired under this Act shall not, by reason of his retired status, be barred from employment in any appointive position for which he is qualified. An annuitant so reemployed shall serve at the will of the appointing officer.

(b) If an annuitant under this Act (other than (1) a disability annuitant whose annuity is terminated by reason of his recovery or restoration of earning capacity, (2) an annuitant whose annuity was based upon an involuntary separation from the service, excluding a separation under the automatic separation provisions of this Act, or (3) a Member retired under this Act) hereafter becomes employed, or on the date of enactment of the Civil Service Retirement Act Amendments of 1956 is serving, in an appointive or elective position, his service on and after the date he was or is so employed shall be covered by this Act. No deductions for the fund shall be withheld from his salary, but there shall be deducted from his salary, except for lump-sum leave payment purposes under the Act of December 21, 1944, a sum equal to the annuity allocable to the period of actual employment, and this provision concerning the lump-sum leave payments shall also be effective in the case of each retired employee separated from reemployment after December 15, 1953, and before the effective date of the Civil Service Retirement Act Amendments of 1956: *Provided*, That if such annuitant serves on a full-time basis for at least one year in employment not excluding him under section 2(b) from coverage, (1) his annuity upon termination of employment shall be increased by an annuity computed under subsections (a), (b), (d), (e), and (f) of section 9 as may apply based upon the period of and the basic salary (before deduction) averaged during such employment, and (2) his lump-sum credit shall not be reduced by annuity paid during such employment. The employment of an annuitant under this subsection shall not operate to create an annuity for or in any manner affect the annuity of any survivor. * * * Any such annuitant whose described employment continues for at least five

Amended
July 12, 1960.

Amended
Oct. 4, 1961.

years may elect, in lieu of the benefit authorized by the proviso herein, to have his rights redetermined under the provisions of this Act upon deposit in the fund of an amount computed under section 4(c) covering such employment. * * * A similar right to redetermination after deposit shall be applicable to an annuitant (1) whose annuity is based on an involuntary separation from the service, and (2) who is separated, on or after the date of enactment of this sentence, after a period of reemployment on a full-time basis which began before October 1, 1956. * * *

Amended
July 7, 1960.

* * * (c) If a Member heretofore or hereafter retired under this Act hereafter becomes employed in an appointive or elective position, annuity payments shall be discontinued during such employment and resumed in the same amount upon termination of such employment, except that—

(1) any such retired Member or any Member heretofore or hereafter separated with title to an immediate or deferred annuity who serves or has served, at any time after separation as a Member, in an appointive position in which he is or was subject to this Act shall, if he so elects, have his Member annuity computed or recomputed as if such service had been performed prior to his separation as a Member and such annuity as so computed or recomputed shall be effective (A) the day Member annuity commences, (B) the first day of the month following the date of separation from the appointive position, or (C) the first day of the first month following the date of enactment of this Act, whichever day is the latest;

(2) if such retired Member shall have become employed after December 31, 1958, in an appointive position on an intermittent-service basis, (A) his annuity shall continue during such employment and shall not be increased as a result of service performed during such employment, (B) no retirement deductions shall be withheld from his salary, (C) there shall be deducted from his salary, except for lump-sum payment purposes under the Act of December 21, 1944, a sum equal to the annuity allocable to the period of actual employment, and (D) the amounts so deducted shall be deposited in the Treasury of the United States to the credit of the fund;

(3) if such retired Member shall have become employed after December 31, 1958, in an appointive position without compensation on a full-time, or a substantially full-time, basis, his annuity shall continue during such employment and shall not be

increased as a result of service performed during such employment; and

(4) if such retired Member takes office as Member and gives notice as provided in section 2(c), his service as Member during such period shall be credited in determining his right to and the amount of his subsequent annuity.

This subsection shall not apply to a Member appointed by the President of the United States to a position not requiring confirmation by the Senate. * * *

PAYMENT OF BENEFITS

SEC. 14. * * * (a) Each annuity is stated as an annual amount, one-twelfth of which, fixed at the nearest dollar, constitutes the monthly rate payable on the first business day of the month after the month or other period for which it has accrued.

Amended
Sept. 6, 1960.

(b) Except as otherwise provided, the annuity of an employee or Member shall commence on the day after separation from the service, or on the day after salary ceases and the employee or Member meets the service and the age or disability requirements for title thereto. The annuity of an employee or Member under section 8 shall commence on the day after the occurrence of the event on which payment thereof is based. An annuity otherwise payable from the fund allowed on or after date of enactment of this Act shall commence on the day after the occurrence of the event on which payment thereof is based.

(c) The annuity of a retired employee or Member shall terminate on the day death or any other terminating event provided in this Act occurs. An annuity otherwise payable from the fund on or after date of enactment of this Act shall terminate (1) in the case of a retired employee or Member, on the day death or any other terminating event occurs, or (2) in the case of a survivor, on the last day of the month before death or any other terminating event occurs. * * *

(d) Any person entitled to annuity from the fund may decline to accept all or any part of such annuity by a waiver signed and filed with the Commission. Such waiver may be revoked in writing at any time, but no payment of the annuity waived shall be made covering the period during which such waiver was in effect.

(e) Where any payment is due a minor, or a person mentally incompetent or under other legal disability, such payment may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of such claimant or is otherwise legally vested with the care of the claimant or his estate: *Pro-*

vided, That where no guardian or other fiduciary of the person under legal disability has been appointed under the laws of the State of residence of the claimant, payment may be made to any person who in the judgment of the Commission is responsible for the care of the claimant, and such payment shall be a bar to recovery by any other person.

EXEMPTION FROM LEGAL PROCESSES

SEC. 15. (a) None of the moneys mentioned in this Act shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process.

(b) Notwithstanding any other provision of law, there shall be no recovery of any payments under this Act from any person when, in the judgment of the Commission, such person is without fault and such recovery would be contrary to equity and good conscience; nor shall there be any withholding or recovery of any moneys mentioned in this Act on account of any certification or payment made by any former employee of the United States in the discharge of his official duties unless the head of the department or agency on behalf of which the certification or payment was made certifies to the Commission that such certification or payment involved fraud on the part of such employee.

ADMINISTRATION

SEC. 16. (a) This Act shall be administered by the Commission. Except as otherwise specifically provided herein, the Commission is hereby authorized and directed to perform, or cause to be performed, any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

(b) Applications under this Act shall be in such form as the Commission shall prescribe, and shall be supported by such certificates from departments or agencies as the Commission may deem necessary to the determination of the rights of applicants. The Commission shall adjudicate all claims under this Act.

(c) Questions of dependency and disability arising under this Act shall be determined by the Commission and its decisions with respect to such matters shall be final and conclusive and shall not be subject to review. The Commission may order or direct at any time such medical or other examinations as it shall deem necessary to determine the facts relative to the disability or dependency of any person receiving or applying for annu-

ity under this Act, and may suspend or deny any such annuity for failure to submit to any such examination.

(d) An appeal to the Commission shall lie from any administrative action or order affecting the rights or interests of any person or of the United States under this Act, the procedure on appeal to be prescribed by the Commission.

(e) Fees for examinations made under the provisions of this Act, by physicians or surgeons who are not medical officers of the United States, shall be fixed by the Commission, and such fees, together with reasonable traveling and other expenses incurred in connection with such examinations, shall be paid out of the appropriations for the cost of administering this Act.

(f) The Commission shall publish an annual report upon the operations of this Act and shall include in each such report a statement with respect to the status of the fund on a normal cost plus interest basis.

(g) The Commission is hereby authorized and directed to select three actuaries, to be known as the Board of Actuaries of the Civil Service Retirement System. It shall be the duty of such Board to report annually upon the actuarial status of the system and to furnish its advice and opinion on matters referred to it by the Commission, and it shall have the authority to recommend to the Commission and to the Congress such changes as in the Board's judgment may be deemed necessary to protect the public interest and maintain the system upon a sound financial basis. The Commission shall keep or cause to be kept such records as it deems necessary for making periodic actuarial valuations of the Civil Service Retirement System, and the Board shall make such valuations at intervals of five years, or oftener if deemed necessary by the Commission. The compensation of the members of the Board of Actuaries, exclusive of such members as are in the employ of the United States, shall be fixed by the Commission.

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

SEC. 17. (a) The fund is hereby appropriated for the payment of benefits as provided in this Act.¹

(b) The Secretary of the Treasury is hereby authorized to accept and credit to the fund moneys received in the form of donations, gifts, legacies, or bequests, or otherwise contributed for the benefit of civil service employees generally.

¹ Title I of the Act of August 28, 1958, bars use of money in the fund to pay any increase in annuity benefits or any new annuity benefits authorized by amendment enacted after August 28, 1958, unless and until Congress appropriates an amount sufficient to prevent immediate increase in the unfunded accrued liability of the fund.

(c) The Secretary of the Treasury shall immediately invest in interest-bearing securities of the United States, such currently available portions of the fund as are not immediately required for payments from the fund, and the income derived from such investments shall constitute a part of the fund.

Amended
Oct. 4, 1961.

* * * (d) The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the fund. Such obligations issued for purchase by the fund shall have maturities fixed with due regard for the needs of the fund and bear interest at a rate equal to the average market yield computed as of the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the public debt that are not due or callable until after the expiration of four years from the end of such calendar month, except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such average market yield. The Secretary of the Treasury may purchase other interest-bearing obligations of the United States, or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price only if he determines that such purchases are in the public interest. * * *

(e) The Commission shall submit estimates of the appropriations necessary to finance the fund on a normal cost plus interest basis and to continue this Act in full force and effect.

Amended
Oct. 11, 1962.

* * * COST-OF-LIVING ADJUSTMENT OF ANNUITIES

SEC. 18. (a) After January 1, 1964, and after each succeeding January 1, the Commission shall determine the per centum change in the price index from the later of 1962 or the year preceding the most recent cost-of-living adjustment to the latest complete year. On the basis of such Commission determination, the following adjustments shall be made:

(1) Effective April 1, 1964, if the change in the price index from 1962 to 1963 shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2, 1963, shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(2) Effective April 1 of any year other than 1964 after the price index change shall have equaled a rise of at least 3 per centum, each annuity payable from the fund which has a commencing date earlier than January 2 of the preceding year shall be increased by the per centum rise in the price index adjusted to the nearest one-tenth of 1 per centum.

(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

(1) Effective from the date of the first increase under this section, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commenced the day after the annuitant's death, shall be increased as provided in subsection (a) (1) or (a) (2) if the commencing date of annuity to the annuitant was earlier than January 2 of the year preceding the first increase.

(2) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 10(d)), which annuity commences the day after the annuitant's death and after the effective date of the first increase under this section, shall be increased by the total per centum increase the annuitant was receiving under this section at death.

(3) For purposes of computing an annuity which commences after the effective date of the first increase under this section to a child under section 10(d), the items \$600, \$720, \$1,800, and \$2,160 appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section, and, in case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 10(d) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death. Effective from the date of the first increase under this section, the provisions of this paragraph shall apply as if such first increase were in effect with respect to computation of a child's annuity under section 10(d) which commenced between January 2 of the year preceding the first increase and the effective date of the first increase.

(c) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

(d) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar. * * *

SHORT TITLE

SEC. 19. This Act may be cited as the "Civil Service Retirement Act".

NOTE.—The Act of September 26, 1961, Public Law 87-299, bars payment of annuity to employees and to their survivors where such employees are convicted of certain Federal offenses cited or commit certain acts enumerated therein involving the national security of the United States.

(THIS ACT EFFECTIVE OCTOBER 1, 1956, EXCEPT AS TO AMENDMENTS OTHERWISE NOTED)

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